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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 07/17/07

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#### ARTICLES:

- (1) Prime minister instructs cabinet ministers to cooperate in investigation in move to designate Niigata earthquake as a serious disaster

July 17, 2007

In a cabinet ministerial meeting this morning, Prime Minister Shinzo Abe instructed relevant cabinet ministers to quickly secure the outlays necessary to finance reconstruction work in the area seriously damaged in the earthquake off Chuetsu District, Niigata Prefecture. Securing disaster-restoration expenses is premised on the government to designate the earthquake yesterday as a serious disaster to enable the state to provide additional subsidies for reconstruction projects. Abe said: "Government officials should take measures with a sense of urgency, such as offering full cooperation for on-the-spot investigations."

Chief Cabinet Secretary Yasuhisa Shiozaki referred in a press conference this morning to the fact that the shock of the quake recorded at Tokyo Electric Power Co.'s Kashiwazaki-Kariwa nuclear power station was over the level of "the maximum probable earthquake" -- the standard that requires earthquake-resistance designs -- and he indicated that the standard should be reviewed. Shiozaki said: "Minister of Economy, Trade and Industry Akira Amari asked the Federation of Electric Power Companies to confirm the safety of all its power plants across the nation. We must analyze the earthquake in detail and ensure the safety of the power plants for the sake of the residents' safety."

It was also announced last night that water containing a tiny amount of radioactive materials had flowed out of the Kashiwazaki-Kariwa Nuclear Power Plant. On this problem, Shiozaki explained: "It was at 8:28 p.m. when we confirmed that water containing radioactive materials overflowed. There is no inconsistency between this explanation and what I said in a press conference yesterday morning (he said that any radiation leak was not confirmed)."

Democratic Party of Japan (Minshuto) Secretary General Yukio

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Hatoyama, now visiting Niigata to have a first-hand look at the damage in the devastated area from the quake, said in a Nippon Hoso radio program this morning: "We were engaged in the Upper House election campaign in Niigata. Suspending the campaign for a while, we will engage in volunteer activities."

(2) Taking a look at normalizing US-DPRK relations (1)

MAINICHI (Page 6) (Full)  
July 16, 2007

Masao Okonogi, professor at Keio University Law School (North Korean politics)

I believe that North Korea intends to begin implementation of the "February 13th agreement" reached at six-party talks. This is because they want to return to the stage before the breakdown in 2002 of the 1994 Agreed Framework between the US and the DPRK and renew efforts to normalize relations between the two countries.

I would suggest that both the US and North Korea are looking not just towards the suspension of the activity of nuclear stations, but the complete shutdown of nuclear facilities. If the Bush administration does not succeed in achieving denuclearization, it will not have surpassed the achievements of the Clinton administration. Meanwhile, North Korea has already obtained about 50 kilos of plutonium in these past 4 and a half years. Furthermore, the February agreement set no limits on nuclear materials and weapons that the DPRK already possesses. Consequently, North Korea may view a declaration of their nuclear plans and eventual denuclearization as an appropriate price to pay for a move towards normalized relations with the US and other results.

After all, their nuclear facilities are aging, and it can be said that they met their goals when they were able to extract plutonium.

Moving into the final stage - getting North Korea to dispose of plutonium and other nuclear materials - will not be an easy task. I do not think it will happen unless the survival of Kim Jong-il's regime is guaranteed. The building of light-water reactors,

succession disputes and other problems will span at least another 5 or 10 years.

As for Japan, we must press forward on the abduction issue during this second stage, which revolves around denuclearization. I believe that "calm diplomacy" will become essential.

(3) Taking a look at normalizing US-DPRK relations (2)

MAINICHI (Page 6) (Full)  
July 16, 2007

Kiyoshi Sakurai, technology critic

The suspension of the activity of nuclear reactors itself carries no meaning. It is only until we deprive North Korea of their nuclear reactors which produce high quality plutonium and their nuclear reprocessing plants that there is any effect. In order to prevent North Korea from reopening their nuclear operations in the future, it is important that starting now, they perform specific measures under the supervision of the International Atomic Energy Agency

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(IAEA).

Simply placing a control rod in the reactor core and halting operations means that if the rod is removed, the nuclear reactor will function just as it did before. Up until now, North Korea has halted and restarted their nuclear operations several times. In order to stop their operations once and for all, IAEA personnel must enter the central control room of the nuclear reactor, make sure that actions to restart operations do not occur, and seal the control rod in place. Furthermore, used fuel must be completely extracted from the reactor and sealed in a precise, predetermined location. IAEA personnel must keep watch over the fuel everyday to ensure that it is not reprocessed and plutonium is not extracted from it. Until these actions are taken, we cannot say that "they stopped operations, so everything is fine."

A cooling period is necessary prior to extracting used fuel from the nuclear reactors. It will probably take about a month to enact all these measures. However, even if all these measures take place, we cannot be sure that North Korea's nuclear production capacity will disappear because they may still have nuclear facilities of which the international community is unaware.

(4) Upper House election in 2007 -- Japan's option: Future course of state on foreign policy, security not shown

MAINICHI (Page 2) (Almost full)  
July 16, 2007

The alliance between Japan and the US is facing a test. US Under Secretary of Defense Shinn during a meeting with Liberal Democratic

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Party (LDP) Security Research Council Chairman Taku Yamasaki held in Tokyo on June 29 sought Japan's expanded assistance for the war against terrorism in Afghanistan. He noted, "We would appreciate if Japan extends its personnel contribution and transportation cooperation as well as maritime refueling activities in the Indian Ocean." Shinn also sounded out Administrative Vice Defense Minister Takemasa Moriya about the possibility of the Ground Self-Defense Force dispatching helicopters.

Both Yamasaki and Moriya turned down his requests, saying, "It is difficult to address such a request." However, one senior Foreign Ministry official said, "It will be necessary for Japan to consider personnel contribution in some form or other next year."

Drawn into a quagmire in Iraq, the US is 99% preoccupied with Middle East policy. It has now begun distancing itself from Japan's hard-line stance over the issue of North Korea's nuclear ambitions. Suspicions are arising in Japan that the US might approve North Korea's possession of nuclear arms, making nuclear proliferation by it its last nonnegotiable line.

Regarding this situation, Kiichi Fujiwara, Tokyo University professor, pointed out, "The priority of the US strategy in Asia has changed." He said, "If Japan, nevertheless, wants the US to defend it, it will have to make more contributions." Japan is urged to decide whether to further promote cooperation toward the US in areas outside the Far East, such as Iraq and Afghanistan, in order to maintain the relationship of alliance with it.

The perception gap between Japan and the US on North Korea's nuclear ambitions is fraught with the danger of posing a more serious

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problem. Former Ambassador to the US Takakazu Kuriyama, who has called the bilateral relationship that has lost a common strategic target a drifting alliance, made this comment: "As a result of China and Europe gaining strength in the wake of the US having failed in Iraq, the US' capability of forming an international order has weakened. Managing the Japan-US alliance has become more difficult than in the age of the Cold War or the post-Cold-War era. I feel a sense of drift has become even stronger."

When the Upper House election was officially announced, the following moves were observed on July 12 in Britain and the US. British Secretary of State for International Development Alexander, a close aide to British Prime Minister Brown, in a speech given in the US said, "The power to destroy was an index of national power in the 20th century. Such an index in the 21st century should be power to construct in concert." Unlike the Blair administration, the new British administration is constraining the use of power. Its stance was said to be a sign of Britain moving away from the US.

The US House of Representatives has adopted a bill including completion of a pullout of US forces from Iraq by next April. Though the bill has no prospect for being enacted as President Bush is expected to exercise his veto, if a Democrat candidate wins the presidential election next year, a call for reviewing Bush's Iraq policy will pick up steam in one sweep.

Keio University Associate Professor Yuichi Hosoya noted: "War against terrorism is expected to drag on. We are at a key turning point. The US and Britain now are tending to correct their previous policies. It is important how Japan will become engaged in international security. However, both the ruling and opposition parties are avoiding discussing the issue."

Only Prime Minister Shinzo Abe and DPJ head Ichiro Ozawa properly touched on the security and foreign policy in their first speeches made since the official announcement of the election on the 12th. However, they only briefly talked about the issue, compared with the length of the time they spared for other issues. An election without a debate on foreign policy will deprive voters of an opportunity to think about the future course of the state.

(Hiroshi Komatsu)

(5) Editorial: Collective self-defense must be discussed before the public

MAINICHI (Page 5) (Full)  
July 16, 2007

Prime Minister Shinzo Abe should prevent his view on the right to collective self-defense and actively discuss the matter with all parties.

Successive governments have strictly limited activities by the Self-Defense Forces, taking the position that exercising the right to collective self-defense is unconstitutional. The prime minister, deeming it as the postwar regime, has established his advisory panel called the Council for Rebuilding the Legal Foundation of National Defense.

The panel plans to produce its report this fall. The prime minister has indicated that he would make a policy decision after the panel

produced its report.

Reflecting Abe's strong wishes, the panel consists of opinion leaders eager to change the government's interpretation. We have warned against the panel reaching a predetermined conclusion.

The panel composed of like-minded members has already finished discussing the following two scenarios of the four situations presented by Abe: (1) whether the Self-Defense Force can defend a US warship on the high seas, (2) whether Japan can intercept a ballistic missile headed for the United States.

As expected, the panel is likely to urge the government to change its interpretation of the Constitution to allow the SDF to use the right so that they can sufficiently deal with the two situations.

Abe's stock argument is that Japan can exercise the right even under the current Constitution. This strongly suggests that he will make a policy decision based on the panel's report.

Abe refused to reveal his view in a party-head debate held on July 11 at the Japan National Press Club, saying, "If I present my view, the (panel) discussion would lose its significance."

Producing a conclusion opening the door to collective defense after the upcoming House of Councillors election without openly discussing it in the ongoing election campaigning is tantamount to ignoring public opinion. The matter must be discussed before the public.

One of the LDP election pledges is to sort out the relationship with the Constitution, including the right to collective self-defense, and rebuild the legal foundation of national defense in accordance with specific cases. Although "rebuilding the legal foundation" can be taken to mean a review, the LDP's public pledge is void of concreteness and is therefore hard to understand.

Many in the LDP are calling for proposing constitutional revision rather than altering the interpretation. The LDP must clearly explain the relationship with constitutional revision, as well.

The LDP's coalition partner, the New Komeito, is adamantly opposed to changing the government's interpretation. If the LDP and New Komeito are playing dumb about the issue of the right to collective defense just in the ongoing election campaigning for the sake of their campaign cooperation, people will not be fooled.

Meanwhile, the main opposition Minshuto (Democratic Party of Japan) released its platform last December noting, "We will not adhere to past developments in the conceptual discussion on the right to collective self-defense, individual or collective." Some Minshuto lawmakers think it is too ambiguous and conceptual. The party's manifesto for the upcoming election does not touch on collective defense either apparently to avoid controversy.

Altering the government's interpretation concerns the foundation of the country's security policy. The matter must not be overshadowed by the pension issue.

(6) Kasumigaseki Confidential column: Appointments of senior Foreign Ministry officials

BUNGEI SHUNJU (Page 234 & 235) (Full)

August 2007

The post of chief of secretariat in the proposed Japanese version of the US National Security Council will be an important office for Japan to strengthen relations with the United States.

There was a rumor that Administrative Vice Foreign Minister Shotaro Yachi would be picked to serve in that post after retiring the ministry next January. It has now become certain, however, that he

will become a professor of the law faculty of Keio University. It is regarded as more likely that former Ambassador to the US Shunji Yanai, who now chairs a government panel tasked with discussing the right of collective self-defense, will become the first chief of secretariat of Japan's NSC, which will be launched next April. However, there still remains a possibility that Yachi might serve in the post in the not-so-distant future.

It is regarded as more certain that Ambassador to Indonesia Shin Ebihara will be appointed to be Yachi's replacement. The lineup of senior officials supporting Ebihara includes Asian and Oceanian Affairs Bureau Director General Kenichiro Sasae, who will be promoted to the post of deputy foreign minister (for political affairs), Deputy Foreign Minister (for economic affairs) Masaharu Kono, who will remain in his current post, Foreign Policy Bureau Director General Chikao Kawai, who will become deputy vice minister of the Minister's Secretariat, International Cooperation Bureau Director General Koro Bessho, who will become Foreign Policy Bureau chief, Akitaka Saiki, minister at the Japanese Embassy in the United States, Global Issues Cooperation Division Director Koji Tsuruoka, who will be promoted to be director general of the International Legal Affairs Bureau, and Middle Eastern and African Affairs Bureau Deputy Director General Shinsuke Sugiyama, who will be appointed as director general of the International Cooperation Bureau.

The lineup of these personnel appointments is dependent on appointing Policy Bureau Director General Kawai as deputy vice minister.

Political observers see two aims for appointing Kawai as deputy vice minister: One aim of having Kawai vacate his present post is to give a chance to Bessho, who joined the ministry the same year with Kawai, by having Kawai, who was regarded as future vice minister, serve in a low-profile post, such as deputy vice minister, since he has been too aggressive. The other aim is to have Ebihara establish leadership by having Kawai build up the minister's secretariat.

Deputy Vice Minister Kojiro Shiojiri will serve as ambassador to Indonesia, replacing Ebihara.

Regarding the appointment of ambassadors, some news reports stated that it had been decided that Ichiro Fujisaki, ambassador to the International Organization in Geneva, would succeed Ambassador to the United Nations Kenzo Oshima this summer, but Yukio Takasu, a minister at the Japanese Embassy in the US, has been picked as Oshima's replacement. Fujisaki will become ambassador to Britain, his long-awaited dream, replacing Yoshiji Nogami, who will leave the ministry next January.

(7) Kasumigaseki Confidential column: Repercussions from comments on future course of Prime Minister Abe

BUNGEI SHUNJU (Page 235 & 236) (Full)

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August 2007

With the extension of the regular Diet session, the House of Councilors election will be conducted on July 29. There is a rumor that the outcome of the election might affect the future course of Prime Minister Shinzo Abe. However, the Ministry of Foreign Affairs alone remains in a calm and collected manner, even though other ministries have been thrown into confusion.

Administrative Vice Minister Shotaro Yachi has close ties also with Foreign Minister Taro Aso, who is regarded as successor to Abe. Asian and Oceanian Affairs Bureau Director General Kenichi Sasae, meanwhile, is close to former Chief cabinet Secretary Yasuo Fukuda. It means that the ministry has been ready to a situation after the Upper House race although there would be a great change in the political situation.

The worst case for MOFA is Junichiro Koizumi's taking the premiership after Abe. The reason is because Ambassador to Indonesia Shin Ebihara, who is regarded as most likely candidate for the future vice minister, has severed relations with Isao Iijima,

Koizumi's personal secretary.

It is said that Ebihara stated during his tenure as deputy chief cabinet secretary in the Koizumi government that he would become administrative vice minister in the future. His remark provoked Iijima's anger, being dismissed the post in just one year. If Koizumi reassumed the premiership and Iijima returned to government, Ebihara's assuming the vice minister's post would be uncertain. However, there is little possibility of Koizumi retaking the premiership, however.

The Abe administration intended to have the issue of North Korea's abductions of Japanese nationals the final resort in the Upper House race. As a result of a series of Sasae's failures in forecasting the development of the abduction issue, it is equivalent to the ministry's having lost the last resort. Persons around Abe were calling for replacing Sasae, but they have now determined that pursuing Sasae's responsibility would backfire all the more because the political situation is very alarming. As it stands, the outcome of the Upper House election will not affect MOFA.

On the other hand, the Ministry of Finance is trembling with fear at the result of the Upper House race. The mission of new Finance Minister Koki Tsuda is to raise the consumption tax as financial resources following the increase in state contribution to the basic pension in April 2009. Tsuda is regarded as the last disciple of former Vice Minister Jiro Saito, who played the role of the leading actor in the shadows along with Ichiro Ozawa under the cabinet of Prime Minister Morihiro Hosokawa. He has picked National Tax Agency Deputy Commissioner Haruhiko Kato, a tax expert, as director general of the Tax Bureau. It would be politically difficult, however, to hike the consumption tax, which forces the public to bear the financial burden if the political situation becomes fluid. Tsuda, who is talked behind his back that doing nothing is his greatest weapon, will be put to the test of his ability.

SCHIEFFER